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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2006 APR 27 P 12: 05

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE NOTICE OF INTENT
BY AT&T, INC. PURSUANT TO A.A.C. R14-2-
803 OR, ALTERNATIVELY, FOR A LIMITED
WAIVER OF THE COMMISSION'S AFFILIATED
INTERESTS RULES.

DOCKET NO. T-02428A-06-0203
T-03016A-06-0203
T-03116A-06-0203
T-03287A-06-0203
T-03346A-06-0203

PROCEDURAL ORDER

BY THE COMMISSION:

On March 31, 2006, AT&T, Inc. ("AT&T") submitted a Notice of Intent to the Arizona Corporation Commission ("Commission") pursuant to A.A.C. R14-2-803 concerning the proposed merger of AT&T and BellSouth Corporation ("BellSouth"), and an application for a limited waiver of the Commission's Affiliated Interests Rules, A.A.C. R14-2-801, *et seq.* ("Rules"), or alternatively, an expedited review and approval of the proposed merger without a hearing ("Application").

On April 6, 2006, a letter from Commissioner Mayes to AT&T was filed in this docket, requesting that the Application be given a full evidentiary hearing.

On April 11, 2006, a letter from AT&T to Commissioner Mayes was filed in this docket.

On April 24, 2006, the Commission's Utilities Division Staff ("Staff") filed a Request for Procedural Order ("Request") requesting implementation of a proposed procedural schedule, and requesting that the Commission suspend the timeframes contained in the Rules for the purpose of holding a hearing on the Application.

It is appropriate to hold a hearing on the Application. The timeframe for Commission consideration of the Application should therefore be suspended pursuant to the Rules.

The procedural schedule proposed in Staff's Request is very similar to the schedule stipulated to by Staff, AT&T and SBC Communications, Inc. in the 2005 proceedings on their merger. The procedural dates set forth in Staff's Request are generally reasonable, and the schedule for this

1 proceeding will be set accordingly.

2 IT IS THEREFORE ORDERED that the timeframe for Commission consideration of the
3 Application is hereby suspended in order to allow time for a hearing.

4 IT IS FURTHER ORDERED that the **hearing** on the above-captioned matter shall commence
5 **on July 27, 2006, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices,
6 1200 West Washington Street, Phoenix, Arizona 85007. **Public comment** will be taken at the
7 commencement of the hearing.

8 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **July 21, 2006,**
9 **at 1:30 p.m.**

10 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at
11 hearing on behalf of AT&T shall be reduced to writing and filed on or before May 31, 2006.

12 IT IS FURTHER ORDERED that responsive testimony and associated exhibits to be
13 presented at hearing on behalf of the Commission's Utilities Division Staff and intervenors in this
14 matter shall be reduced to writing and filed on or before June 30, 2006.

15 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented
16 at hearing on behalf of AT&T shall be reduced to writing and filed on or before July 14, 2006.

17 IT IS FURTHER ORDERED that any surrebuttal or rejoinder testimony shall be presented
18 orally at the hearing.

19 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
20 the Application, Notice, or pre-filed testimony shall be reduced to writing and filed no later than five
21 calendar days before the witness is scheduled to testify.

22 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
23 except that all motions to intervene must be filed on or before June 21, 2006.

24 IT IS FURTHER ORDERED that objections to any motions to intervene must be filed on or
25 before June 26, 2006.

26 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
27 been pre-filed as of July 14, 2006 shall be made before or at the pre-hearing conference on July 21,
28 2006.

IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and regulations of the Commission, except that: any objection to discovery requests shall be made within three calendar days of receipt; responses to discovery requests shall be made within five calendar days of receipt; the response time may be extended by mutual agreement of the parties involved if the request requires an extensive compilation effort; and no discovery requests shall be served after July 21, 2006.

IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel discovery, any party seeking discovery may telephonically contact the Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and that the party making such a request shall forthwith contact all other parties to advise them of the hearing date and shall at the hearing provide a statement confirming that the other parties were contacted.¹

IT IS FURTHER ORDERED that AT&T shall provide public notice of the hearing in this matter, in the following form and style, with the heading in no less than 24 point bold type and the body in no less than 10 point regular type:

**IN THE MATTER OF THE NOTICE OF INTENT BY AT&T, INC.
PURSUANT TO A.A.C. R14-2-803 OR, ALTERNATIVELY, FOR A
LIMITED WAIVER OF THE COMMISSION'S AFFILIATED
INTERESTS RULES**

Docket No. T-02428A-06-0203 et al.

On March 31, 2006, AT&T, Inc. ("Applicant") filed with the Arizona Corporation Commission ("Commission") a Notice of Intent concerning the proposed merger of AT&T and BellSouth Corporation, and an application for a limited waiver of the Commission's Affiliated Interests Rules, or alternatively, for an expedited review and approval of the proposed merger without a hearing.

A Hearing on the Application will be held on **July 27, 2006**, commencing at **10:00 a.m.** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007. **Public Comment** will be taken at the commencement of the hearing. Please check with the Commission for any changes to the scheduled hearing date.

The Application and subsequent filings in this proceeding will be available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona 85007, and at **[Applicant insert]**

¹ The parties are encouraged to attempt to settle discovery disputes through informal, good faith negotiations before seeking Commission resolution of the controversy.

addresses and contact information for both AT&T, Inc. and BellSouth Corporation].

Under appropriate circumstances, interested parties may intervene in the proceedings and participate as a party. You may have the right to intervene in the proceeding, or you may make a statement for the record. Intervention shall be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **June 21, 2006**. Persons desiring to intervene must file a written motion to intervene with the Commission and send such motion to Applicant or its counsel and to all parties of record. The motion to intervene shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.

2. A short statement of the proposed intervenor's interest in the proceeding (e.g. a customer of Applicant, a shareholder of Applicant, a competitor, etc.).

3. A statement certifying that a copy of the motion to intervene has been mailed to Applicant or its counsel and to all parties of record in the case.

If you wish to provide written comments to the Commission, please mail them to:

The Arizona Corporation Commission
Attention Docket Control
re: AT&T and BellSouth Corporation Merger
T-02428A-06-0203 et al.
1200 West Washington Street
Phoenix, Arizona 85007

If you have any questions about this proceeding, or want information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request reasonable accommodations such as sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, lhogan@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that AT&T shall cause the above notice to be published at least once in a newspaper of general circulation in its Arizona service territory, with publication to be completed no later than May 19, 2006.

IT IS FURTHER ORDERED that AT&T shall file certification of publication as soon as practicable after the publication has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same, notwithstanding the failure of an individual to read or receive the notice.

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
2 Communications) applies to this proceeding as the matter is now set for public hearing and shall
3 remain in effect until the Commission's Decision in this matter is final and non-appealable.

4 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
5 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

6 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
7 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

8 Dated this 27th day of April, 2006

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11 
TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered
13 this 27 day of April, 2006 to:

14 Michael M. Grant
15 Todd C. Wiley
16 GALLAGHER & KENNEDY
2575 E. Camelback Road
Phoenix, AZ 85016

17 James D. Ellis
18 Wayne Watts
19 John Gibson
20 Danny A. Hoek
AT&T INC.
175 E. Houston Street
San Antonio, TX 78205

21 Daniel Foley
22 AT&T SERVICES, INC.
645 E. Plumb Lane, B132
23 P.O. Box 11010
Reno, NV 89520

24 J. Scott Rhodes
JENNINGS STROUSS & SALMON
201 E. Washington
25 Phoenix, AZ 85004

26 Theodore A. Livingston
27 Christian F. Binning
MAYER, BROWN, ROWE & MAW
71 South Wacker Drive
28 Chicago, IL 60606

1 James G. Harralson
2 BELLSOUTH CORPORATION
3 1155 Peachtree St., NE, Suite 1800
4 Atlanta, GA 30309

5 Harris R. Anthony
6 BELLSOUTH CORPORATION
7 2180 Lake Blvd. NE
8 Suite 12B53
9 Atlanta, GA 30319

10 Stephen L. Earnest
11 BELLSOUTH CORPORATION
12 675 West Peachtree St., Suite 4300
13 Atlanta, GA 30375

14 Peter Shields
15 Joshua Turner
16 Rebekah Goodheart
17 WILEY REIN & FIELDING
18 1776 K. Street, NW
19 Washington, DC 20006

20 Christopher Kempley, Chief Counsel
21 Legal Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, AZ 85007

25 Ernest G. Johnson, Director
26 Utilities Division
27 ARIZONA CORPORATION COMMISSION
28 1200 West Washington
Phoenix, AZ 85007

ARIZONA REPORTING SERVICE, INC.
2627 N. Third Street, Ste. Three
Phoenix, Arizona 85004-1126

By: 

Molly Johnson
Secretary to Teena Wolfe